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BRITISH
AFFAIRS

A QUARTERLY REVIEW

INTERDEPENDENCE
THE ECONOMIC OUTLOOK
CAN STRIKES BE PREVENTED?
THE COMMONWEALTH ASSOCIATION

BRITAIN AT BRUSSELS

WESTERN EUROPEAN TRADE
TECHNICAL EDUCATION
COLONIAL CALENDAR
A CAUTIOUS BUDGET
BOOK REVIEWS

VOL. II, NO. 2 — JUNE 1958

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BRITISH AFFAIRS

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Interdependence

by

SIR HAROLD CACCIA*

British Ambassador to the United States

On October 25 last your President and my Prime Minister set their hand to a Declaration of Common Purpose. They could of course only speak for their own countries, yours and mine. But they did not mean to imply that interdependence was something that should be exclusive to the United States and Britain. Quite the contrary. Their hope was that the practice of interdependence between us should stretch out to our allies and others in the Free World.

What then is the challenge which we are seeking to meet by interdependence? Let us see what Mr. Khrushchev has to say about it. In an interview with an American publisher last year, he defined the challenge in these words: "We declare war upon you—excuse me for using such an expression—in the physical field of trade. We declare a war which will win over the United States. The threat to the United States is not the Intercontinental Ballistic Missile, but in the field of physical production. We are relentless in this and it will prove the superiority of our system."

We need not necessarily believe that this is the whole of the challenge of Communism to our way of life. But we should be rash if we failed to pay proper regard to what Mr. Khrushchev himself says and make sure that we are in a position at the least to meet that part of the challenge.

To do so successfully depends on a lot of things in which we are interdependent: finance, industry, research and development.

INTERDEPENDENCE AND COMPETITION

But let us start by dealing with a possible misconception. Interdependence does not of course mean that there should be no competition between us. There is plenty of room for that. It does mean that we should have regard for each other and do as we would be done by. If we forget our friends and try to go it alone, we are unlikely to succeed in meeting the determined challenge of the Communist system. In other words, we

*This article appeared in *The General Electric Defense Quarterly*, Volume 1, Number 1 (April 1958).

cannot afford any shots at random of the kind described in the parody of Longfellow's verse:

"I shot an arrow into the air:
I don't know how it fell, or where;
But strangely enough, at my journey's end,
I found it again in the neck of a friend."

Nor is interdependence all one way traffic: give by one side, take by the other. That would be a dependence which nobody wants. It should be rather a pooling of effort, an avoidance of duplication in order to achieve a common purpose. Let us see in various fields how it can work.

EACH MUST CONTRIBUTE

Take finance first. We each of us have an essential contribution to make towards the success of the Free World. Britain's chief contribution is the maintenance of the stability and flexibility of sterling. It is in sterling that nearly half of the Free World's trade is carried on. To maintain the position of sterling requires a great effort on our part. We shall continue to make it. On your side one of the most important contributions you could make for all countries of the Free World would be to maintain and increase the flow of dollars into world trade. This is a decision which lies entirely within your hands.

But there is no mystery about the result of your decision. It is as simple as this. Without an outflow of trading dollars, international trade would slow down for lack of "fuel" and your allies would in the end be forced, however reluctantly, to protect themselves by excluding your goods. Such restriction of world trade is surely a travesty of what we should aim at, and certainly a way towards losing the challenge with which we are faced. Should we not do just the opposite and try to improve conditions for the exchange of goods between nations, thus showing that membership of the free world carries with it prosperity and hope of expansion?

Interdependence in the industrial field can help this as much as in the financial. A good example is the jet engine, which has revolutionized air transport. It is the product of the ingenuity of scientists and technicians of both our countries. Witness too American machinery, which is increasing productivity in British coal mines, and British turbo-prop engines which are speeding up transportation in the United States.

Interdependence has also had a recent triumph in the field of research for the control of fusion to obtain power for peaceful purposes. This is an area in which there has been continuing and complete exchange of information between our two countries ever since 1956.

Information in Brief

Three fact-filled pocket reference books on Britain, her Dependencies, and the Commonwealth have now been issued.

They are:

Britain in Brief. 24 pp.

The UK Dependencies in Brief. 21 pp. with map

The Commonwealth Association in Brief. 36 pp. with map

Copies are available free of charge from Circulation Section, British Information Services.

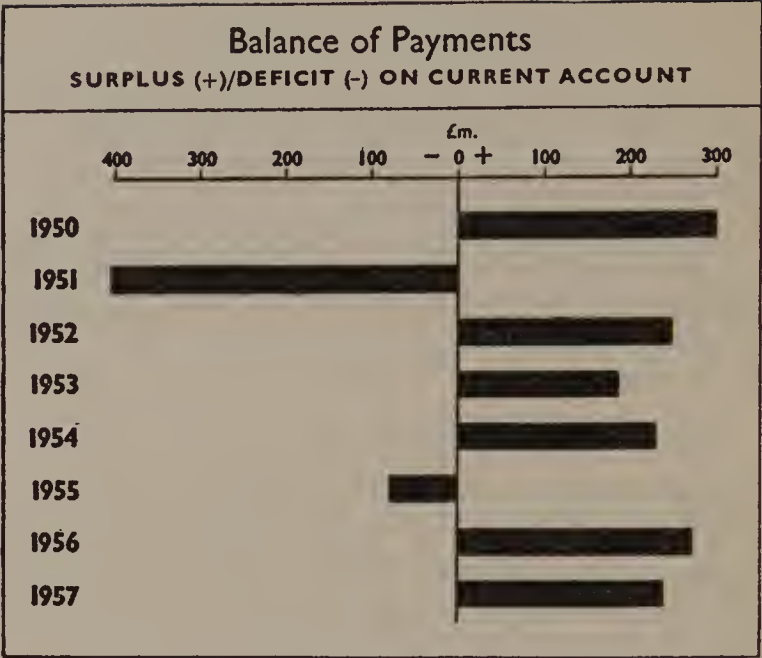
NUCLEAR POWER FOR PEACEFUL PURPOSES

In the development of nuclear power for peaceful purposes we in Britain are of course moved by a scarcity of natural fuels from which you are lucky enough not to suffer. This has given us a special incentive to search elsewhere and we have sought with success. Electricity from the nuclear power station at Calder Hall has been going out to domestic and industrial use for over a year. Two huge nuclear power stations, being built by private enterprise, are well under way in England. A third, still larger, and a fourth are just beginning to go up in England and in Scotland. From such successes I hope that your scientists and engineers and ours will go on from strength to strength in co-operation together, so that each country will get increasing benefits from the other. And let me repeat: these benefits are not exclusively for ourselves, but for the general health and prosperity of the Free World.

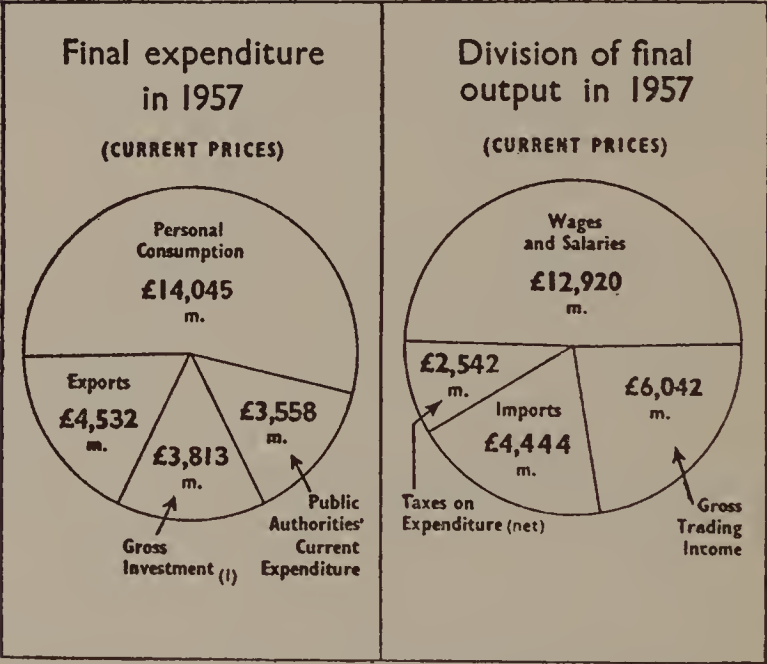
NEVER REST CONTENT

These are some of the ways in which interdependence is already at work. It helps each and spurs the other. We should never rest content. We should rather ask ourselves whether we are doing enough to encourage and facilitate the interchange of men and of ideas in all the fields of science, technology and industry. This is not a matter for grandiose theoretical planning. It involves no new concepts. It is simply a question of translating into reality in modern terms that community of interest between ourselves and all the free nations which has been the source of so much of our economic growth in the past.

In the end, the pursuit of interdependence must rely for success just as much on the attitude of mind and the actions of individual men and women as on the policies of governments. In a real sense it is the personal responsibility of each one of us, and the future of the Free World depends upon our answer.



In only two years since 1950 has Britain had a deficit in her own current account, i.e. what she earns abroad by selling goods and services less what is paid abroad for goods and services.



Two sides of the medal: on the left, total national outlay; on the right, the same total broken down into income. "Wages and salaries" is here equivalent to income from employment.

Britain's domestic economy has hardly been touched so far by the spread of recession. But domestic policies must be guided by a judgment of world trading trends.

The Economic Outlook

THE CHANCELLOR SUMS UP*

In Britain, industrial output has remained practically steady recently. In some industries output is still growing, and in others there have been small declines. There have been no big falls in output, and employment—despite local difficulties—is still high. What should be our reaction to this situation?

The background against which we have to look at this question is well enough appreciated amongst us. We are all agreed that we want expansion, but there are other things which we have to think about too. We all want to keep the pound safe and prices steady. The strength of our currency must remain our prime objective, for it is this which largely determines the strength of the UK whatever may be the trends in the world at large. There is certainly nothing in our present situation—or the world situation—which would suggest that it would be right to expand regardless of other considerations. The situation in America is still uncertain, Continental Europe is no longer expanding so fast as it was, and the slackening of world industrial activity is already affecting the earning power of the primary producers. In these circumstances, anything which made us less competitive would lose us markets abroad, and so reduce employment in our export industries and put a strain on the pound. This is certainly not the time to risk our chances of keeping sterling strong. On the contrary we must continue to use it to good purpose so as to strengthen our external monetary position, for this has been one of our main continuing weaknesses ever since the war. So at present the reserves are going up and our liabilities are going down; and though we are benefiting from better terms of trade, these are being used to strengthen the position and not frittered away.

Does this imply then a purely passive policy of wait and see? I do not think so. My own conviction is that we have just now a rather

*Extracts from a statement by Mr. Heathcoat Amory to the National Production Advisory Council on Industry, May 2, 1958.

I. ECONOMIC STATISTICS

	1956	1957
Total working population ('000, end Dec.)	24,209	24,148
Total in civil employment ('000, end Dec.)	23,111	23,131
Unemployed ('000, end Dec.)	366	380
Index of Industrial Production (1948 = 100)	136	138
Employment in industry (1948 = 100)	112	112
Output per man year (1948 = 100)	122	124
Steel output (mn. long tons)	20.7	21.7
Coal output (mn. long tons)	222.0	223.6
Auto output ('000)	708	861
Imports (£ mn)	3,886	4,076
Exports and re-exports (£ mn)	3,318	3,458
Imports (vol. 1954 = 100)	110	115
Exports (vol. 1954 = 100)	113	116
Terms of trade (1954 = 100)	99	96
Retail prices (Jan. '56 = 100)	102.0	105.8

II. NATIONAL INCOME STATISTICS
(£'000 mn.)

	1956	1957	% change
Gross national product	18.1	19.2	+ 6%
Total personal income	17.0	18.0	+ 5½%
Wages and salaries	11.1	11.8	+ 6%
Self-employment	1.7	1.8	+ 4%
Rent, dividends, etc.	1.9	2.0	+ 5%
Gross trading profits	3.4	3.5	+ 4%
Central Government revenue	5.8	6.2	+ 6%
Gross fixed investment	3.1	3.4	+ 9%
Saving			
Personal	1.47	1.62	+10%
Corporate	1.73	1.79	+ 4%
Central Government36	.56	+56%
Local Authorities13	.16	+22%

III. BALANCE OF PAYMENTS
(£ million)

	1956		1957	
	1st half	2nd half	1st half	2nd half
Current balance	+168	+ 98	+115	+122
Visibles	— 33	— 28	— 38	— 59
Invisibles	+201	+126	+153	+181
Current balance:*				
With rest of				
Sterling Area	+124	+183	+115	+228
With Dollar Area	+ 76	— 72	— 26	— 71
With Western Europe	— 35	— 29	+ 8	— 47

*Main Areas only

unique opportunity. I see this as a time when we should consolidate recent progress so that we can resume steady expansion just as soon as we can do so without raising prices. Most of the time since the war the economy has had to be run without any reserve of capacity. Important projects could not get started or, having got started, could not get finished because of all the competing claims on resources.

Now, we are beginning to leave behind the overstrain of recent years. For the last two or three years, while output was not going up much, capacity has gone on increasing. We now have a bit of a reserve in terms of productive resources. To speak of unused resources is to see only one side of the picture. We have here an asset, an opportunity, something that will contribute to an effective forward thrust when growth can safely be resumed.

PROSPECTS FOR EXPANSION

We are still doing very well in industrial investment which has been at record levels for the last few years. In manufacturing industry spending on plant and machinery was still rising up to the last quarter of 1957, although demand for industrial building was less intense. I have given some encouragement to productive investment in the Budget. It may well be that this year some thinning out of projects will enable those under construction to reach completion sooner. In some of the basic industries—and I am thinking here of steel and shipping as well as power and internal transport—investment is continuing to forge ahead at more than average pace. And it's a good thing that it is. By 1965 we are going to need all the steel and all the power we can produce.

I am often asked how soon the Government thinks it likely that expansion can safely be resumed. There is no certain answer yet, for there are many factors to be taken into account. We must watch the world situation and our own balance of payments prospect, which in the short term at any rate is not discouraging. But whatever the situation abroad we are bound to be much influenced by the movement of costs in this country, the movement of incomes in relation to output, and the implications for prices. The more effectively we all use whatever influence we have to help keep incomes and output in step, the quicker will come the day when production can be encouraged to rise again, without danger to prices and the pound.

I feel sure that all the emphasis now should be put on building up our potential efficiency to a higher level so that we can reap the benefits in higher productivity and higher sales when the market is more favorable.

Exploding Myths

The strange view is sometimes encountered that Britain is living on its past. Here are some facts which suggest that this is not so.

Production in Britain has increased by a third in the last ten years.

Exports are double their pre-war volume.

Capital investment now takes a much larger share of the national income than pre-war. Britain provides 70 per cent of the external capital of the Commonwealth, whose population covers a quarter of the world.

Sterling finances nearly half the world's trade and payments.

Britain invests overseas a higher amount per head than any other nation.

Britain invests more in defense than does any of her allies except the USA. She has developed her own hydrogen bombs and the means to deliver them.

Output per man employed in manufacturing rose by about a quarter between 1948 and 1956.

Fewer hours are lost by strikes in Britain than in any other western country save The Netherlands, Western Germany, and Sweden.

Farm output per man rose by two-fifths between 1948 and 1956.

The first nuclear power station on an industrial scale went into operation at Calder Hall in 1956.

The world's largest nuclear power station, at Hinkley Point, which will be the first to produce electric power at a cost virtually competitive with that from conventional stations, is now being built.

The Comet was the first turbo-jet to enter airline service.

The Viscount was the first turbo-prop to enter airline service.

The Britannia is the biggest airliner in service in the western world and is the first gas turbine plane in transatlantic service.

The first gas-turbine ship was produced by Britain. It was a naval gun-boat.

Disputes in the transport industry have called in question the present machinery for industrial negotiation in Britain. This article puts matters in perspective.

Can Strikes Be Prevented?

Memories of last year's strikes in shipbuilding and engineering, involving over three million work people, have caused some people to wonder whether Britain's arrangements for avoiding and preventing strikes and lockouts should be modified. The present system has however been built up over a long period to meet the needs and wishes of employers and workers and it would be unwise to judge it simply on the record of the past fourteen months.

Looking at the twentieth century as a whole, the outstanding fact about labor relations in Britain is an improvement after the first third of the century. Industrial stoppages since 1932 have tended to be much shorter and to involve fewer workers, so that the average number of man-days lost each year dropped from 14 million in 1914-1932, excluding 1926 the year of the general strike, to about 2 million (or one-tenth of a day per employee) in 1933-1957. Even in 1957, the worst year since 1926, man-days lost were only 8.4 million.

BRITAIN'S RECORD IS FAVORABLE

Britain's recent record compares favorably with that of most industrial countries. In the years 1951-1956, for example, time lost per person through industrial strikes in USA was six times as much as in Britain; only in the Netherlands, Sweden and Western Germany were there better records.

The relatively high strike rate in the United States with its outstanding record for production is evidence of an often forgotten fact—that time lost in strikes is seldom an important factor in affecting national output. Much more time is lost by sickness, accidents and voluntary absenteeism. Informed opinion in Britain is well aware of these facts; it is widely recognized that the introduction of full-scale compulsion for settlement of disputes would have effects far more damaging than anything which results from time lost through disputes.

In most industries, employers' organizations and trade unions negotiate agreements fixing not only pay and other terms of service but also in many cases procedures for negotiation and settlement of differences. These arrangements often include joint councils and committees in the works for the district and for industry as a whole, and there is usually provision for intractable differences to be referred to conciliators or arbitrators.

HELP FROM MINISTRY OF LABOUR

The Ministry of Labour and National Service helps by providing a service of skilled conciliators who can be called in, and the Minister himself sometimes talks with parties to an important dispute. He is careful, however, not to intervene unnecessarily and to pick his time. Ill-judged intervention would weaken the sense of responsibility of the disputants themselves.

The Minister can also refer disputes at the request of the parties to independent arbitration either by single arbiters or tribunals appointed to deal with particular cases, or by tribunals which are constituted to deal with disputes in certain industries, e.g., The Railway Staff National Tribunal, or by the permanent Industrial Court.*

Arbitration tribunals normally consist of three persons appointed by the Minister: a chairman who is usually a distinguished lawyer, administrator or economist, one person from a panel of nominees put forward by employers' organizations, and another from a panel of trade union nominees. Tribunals listen to both parties and after consideration briefly announce their award which may be unanimous, e.g., the Industrial Court award on the recent London bus workers pay claim, or record a dissenting opinion as, for example, the Railway Staff National Tribunal award on the rail pay claim. Awards are not legally binding but parties are expected to implement them.

The Minister can moreover on his own initiative institute a public enquiry into the causes and circumstances of a serious dispute which affects the public interest. In disputes of outstanding importance this investigation may take the form of a specially convened court of inquiry. Such a court does not make awards but its report which is published makes recommendations and puts the issues in perspective. It therefore usually provides a basis for an agreed settlement.

*See *British Affairs*, March 1958, p. 41, for article on *The Industrial Court*.

VOLUNTARY EFFORT IS THE AIM

The only procedure with any element of compulsion is one introduced under temporary legislation in 1951 to replace a stricter wartime emergency measure. It provides that in certain cases disputes reported by only one of the parties can be referred by the Minister to the Industrial Disputes Tribunal whose awards have the force of civil contracts. There is however no obligation on the part of the parties to report disputes. Moreover even this procedure does not limit the right to call a strike or lockout which can be done perfectly legally even after reference to the tribunal has been made.

It will be seen that emphasis in Britain is on the voluntary approach. Employers and workers in each industry are as far as possible left to settle their own affairs. Only where the organization of employers or workers is weak does the government fix wages by statutory orders based on recommendations of bodies representing employers, workers and individual persons.

Opportunities in Northern Ireland

Expansion plans can be bedevilled by one or more of three great shortages—not enough money; not enough men; not enough space. Only Northern Ireland can offer all three, in plenty.

MONEY—to cut the need for investment funds: outright grants of 25% and/or loans for plant, machinery and buildings are available, also removal and training grants.

MANPOWER—first-class and plenty of it: over 9% of the labor force—over 30,000 of them men—are looking for jobs. They are hard-working and loyal; absenteeism and labor turnover are low: output is high and shift-working is practicable.

PRODUCTION SPACE in modern factories ready now: New concerns can rent a standard Government factory for about 10½¢ per sq. ft. p.a. with room for at least 100% expansion. Or the Government might build a special-purpose factory on amortization terms. Sites of all sizes are available.

EXCELLENT SERVICES: modern transport services make delivery quicker and easier than ever before. Ample water, gas, electricity and housing.

SUCCESS STORY: since 1945, over 130 new factories have opened in Northern Ireland, and many have expanded. Courtaulds, British Tabulating Machines, Metal Box, Du Pont, Chemstrand, Hughes Tool and many others will tell you of their experiences.

THE NORTHERN IRELAND DEVELOPMENT COUNCIL
U.S. OFFICE: 99 Park Avenue, New York 16, N. Y., U.S.A.

A major Commonwealth Conference is to take place in Canada this Fall. It will be concerned primarily with economic questions. Three articles below describe the Commonwealth and its plans.

The Commonwealth Association

I. WHAT IS THE COMMONWEALTH?

The Commonwealth is a free association of ten sovereign, independent states—the United Kingdom, Canada, Australia, New Zealand, South Africa, India, Pakistan, Ceylon, Ghana and the Federation of Malaya, together with their dependencies. Seven of these States are monarchies owing allegiance to the Queen, two (India and Pakistan*) are republics with a President as Head of State, and one (the Federation of Malaya), while not a republic, has its own Head of State. All, including India, Pakistan and the Federation of Malaya, accept the Queen as the symbol of their free association as Members of the Commonwealth, and as such the Head of the Commonwealth.

Every sovereign independent Member of the Commonwealth is in the association entirely of its own choice. In 1947 Burma decided to become a republic outside the Commonwealth. A year later Eire chose the same path and became the Irish Republic. The new Republic was not, however, regarded by other Commonwealth countries as a foreign country, or her citizens as foreigners.

COMPLETE INDEPENDENCE

Every one of the Member nations enjoys unfettered control of its own affairs. Thus it determines its foreign, domestic, and fiscal policies, defines its citizenship and immigration regulations, negotiates and signs treaties with other nations, maintains its own diplomatic service and decides for itself the issues of peace and war.

Members are free to join international organizations or not, irrespective of the decision of any other Member, and all have complete freedom on international issues.

*At the Meeting of Commonwealth Prime Ministers in 1956, the Prime Minister of Ceylon stated that his Government proposed to introduce in due course a republican constitution for Ceylon, which would remain a Member of the Commonwealth.

The Commonwealth and the World

<i>Country</i>	<i>Population</i> (1956 approx.)
United Kingdom	51,208,000
Canada	16,420,000
Australia	9,533,334
New Zealand	2,190,402
South Africa	14,167,000
India	376,750,000
Pakistan	83,603,000
Ceylon	8,589,000
Ghana	4,620,000
Malaya	6,253,000
Rhodesia and Nyasaland	7,260,000
Dependencies, U.K. and other*	76,057,900
<i>Total Commonwealth Population</i>	656,650,636
<i>Total World Population</i>	2,734,000,000

*Includes Pacific territories administered by Australia and New Zealand.

In practice, as Commonwealth solidarity in two world wars has shown, there is a fundamental unity of ideal and principle which overrides all trivial and ephemeral differences of opinion. Moreover, the frankness with which these differences are discussed in the family atmosphere of Ministers' Conferences and the comprehensive system of day-by-day communication and consultation that has developed between the individual Governments is one of the main sources of the strength of the Commonwealth association.

DEFINITION OF STATUS

The first formal attempt to describe the status and mutual relationship of Member nations was a pronouncement of the Imperial Conference of 1926, which described them as: 'autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown, and freely associated as members of the British Commonwealth of Nations.'

A further important pronouncement was made by the Prime Ministers' Meeting of 1949, which considered the constitutional implications of India's intention to adopt a republican form of constitution. In a declaration issued on the conclusion of the meeting, it was stated that: 'The Government of India have . . . declared and affirmed India's desire to

continue her full membership of the Commonwealth of Nations and her acceptance of the King as the symbol of the free Association of the independent Member nations and as such the Head of the Commonwealth. The Governments of the other countries of the Commonwealth, the basis of whose membership of the Commonwealth is not hereby changed, accept and recognize India's continuing membership in accordance with the terms of this declaration'. A similar declaration was made in 1955 in respect of Pakistan and in 1956 in respect of Ceylon.

NOT A FEDERATION

The Commonwealth is not a federation, for there is no central government, defense force or judiciary, and no rigid obligations or commitments. Nor is it comparable with a contractual alliance such as the United Nations. It is no easy task to convey at one and the same time the essential freedom and the friendly intimacy of the Commonwealth relationship; yet both are equally real. Speaking of this relationship, the late Mr. Peter Fraser, when Prime Minister of New Zealand, said: 'It is independence with something added, and not independence with something taken away'.

At the head of each of the Governments and parliaments of the Commonwealth—except those of India, Pakistan and the Federation of Malaya—is the Queen, in whose name the administration is carried on. Although she is a constitutional sovereign and not a ruler, she provides the element of continuity in the administration, and the importance of her influence would be hard to overestimate.

The Queen is represented in each of the Member countries—except India, Pakistan and the Federation of Malaya—by a Governor-General, appointed on the recommendation of the Government of the country concerned. Throughout his term of office he acts on the advice of that Government, and is wholly independent of the Government of the United Kingdom. At present in three Member countries of the Commonwealth the Governor-General is a citizen of the country concerned, and in three Member countries he is a citizen of the United Kingdom.

A PRODUCT OF EVOLUTION

The Commonwealth as a whole, including the dependent territories, covers roughly speaking a quarter of the world's land surface and contains about a quarter of its population. Varying widely in history, size, geographical position, race, religion, language, composition of population, industrial growth, and international importance, each of the Commonwealth nations has developed along its own lines.

II. ECONOMIC GROWTH IN THE COMMONWEALTH

by

THE PRIME MINISTER*

The story of the last ten or twelve years is the most momentous and in a sense the most dramatic in the history of the Commonwealth. Changes in its political structure were inevitable and indeed inherent in the whole concept which has guided our great Imperial statesmen for many decades. Of course, when the Statute of Westminster was passed we took a great step with our eyes open in respect of the old Commonwealth countries. Yet the process of evolution has been immensely hastened by the pressures following the second world war.

A NEW STRENGTH

In the last 10 or 12 years we have seen the transfer of power in the new Commonwealth countries—India, Pakistan and Ceylon, and now Malaya and Ghana. The rapidity of change has brought with it of course its own dangers. There were no doubt some who felt that this Empire was destined like so many Empires of the past to decline and ultimately to fall. Yet it is my conviction that the very flexibility of our system and our methods may give us a new strength. Out of the old Empire there is growing the new Commonwealth, and these tremendous developments are signs, in my firm conviction, not of decay but of new strength.

It is because the old Empire was based on the principle of service and not of exploitation that the new Commonwealth has in it these great seeds of healthy growth. This country, lying at the heart of the Commonwealth, has I believe, always occupied a special place in the Commonwealth. Our fellow members look to us for leadership. If the Commonwealth is to retain its place in the world—and I am sure that it must for it is one of the greatest forces for human happiness and peace in the world—we have a special part to play in nurturing it so that it can grow in strength. The Commonwealth is not a thing that will thrive just by being left alone. It has to be tended and guided.

ECONOMIC SOUNDNESS: A GREAT DEFENSE

Economic soundness is one of our greatest defenses. You have only to look at the history of the last ten years to see that. A strong Common-

*Extracts from a speech by the Prime Minister, the Rt. Hon. Harold Macmillan, M.P., at a meeting of the Empire Industries Association at Central Hall, April 2. Mr. Macmillan had recently returned from a tour of five Commonwealth countries.

Overseas Development

Britain's average investment, both public and private, from 1953-1956, in the Commonwealth as a whole, including her special assistance to Colonial Territories, was nearly £200 million a year. It is a higher per capita figure for overseas development than is claimed by any other country. Put another way, it represents between 7 and 8 per cent of Britain's gross fixed investment at home.

External capital investment in the sterling Commonwealth, between 1946 and 1955, came 70 per cent from the United Kingdom, 15 per cent from the United States, 10 per cent from the International Bank for Reconstruction and Development, and 5 per cent from other sources.

Britain's total investment in the Colonies since World War II is estimated as not far short of £1,000 million.

wealth is a great bastion against the forces of Communism. In our Commonwealth partnership we include countries like Canada, Australia, New Zealand and Pakistan—who join with us in the military alliances of the free world. Pakistan is with us a member of both SEATO and the Baghdad Pacts. We greatly value her loyal support. But we include also countries like India which takes no part in military alliances. That is not for any love of Communism. On the contrary—she holds in high esteem Parliamentary Government, Individual Freedom, and all that goes with the democratic way of life.

Her example is of tremendous importance and her influence can be decisive among some of the hesitating countries of the Far East. Throughout Asia, as in Africa, the forces of nationalism are strong; and though they are a force for good they can be turned into a force for evil. Their direction depends not only on wise statesmanship but on economic soundness and prosperity.

PACE OF ECONOMIC DEVELOPMENT

When I am asked what impressions, common to all the countries that I visited, had most impressed me, I think most deeply of the pace of development that is going on everywhere: both in the new Commonwealth countries, India, Pakistan and Ceylon, and in the old Commonwealth countries, New Zealand and Australia. Everywhere I found a great sense of urgency and everywhere a hunger for capital to invest. Ordinary trade is as vital as ever but the sale of capital goods is today, and will be in the future, the most important part of the trade of the

old country. I saw some of these schemes of development myself and I wish I could have seen more.

In India I saw something of the practical significance of the five year plan, which is so important not only to India herself, but also to the Commonwealth as a whole. We have already done a great deal to help her and we shall continue to give all the help we can within our means. In Pakistan, which is making great progress in spite of many initial difficulties, great plans for development are in hand in which we have borne our full share. Ceylon is engaged in large schemes of agricultural development so as to reduce her dependence on a limited number of crops, and to build up her reserves.

LARGE CAPITAL INVESTMENT

Our investments in the Commonwealth are very large. For example in India they now represent 82 per cent of all external business investment; I think this is a most impressive figure. While I was in these Asian countries of the Commonwealth I pointed out that by far the greatest part of our investment was private investment: investment by firms whose operation the Government did not control. But they form an immensely valuable and valued part of the economy, and I can assure you that there is no despondency.

But we can help not only by the investment of capital, but also by the investment of our skill and experience. For this reason the United Kingdom has concentrated her main effort under the Colombo Plan on providing technical assistance to our Asian partners in the Commonwealth.

Since the beginning of the Technical Cooperation Scheme in 1951, we have provided training facilities in this country for 1,528 students from India, Pakistan and Ceylon. A particular example is the training we are providing now in steel works and factories in the United Kingdom for Indians who are to fill supervisory posts in the great new steel works being built by British enterprise at Durgapur. Under this scheme we plan to train a total of about 300 Indians. We have provided these countries with 265 experts in all manner of subject: TB experts for Ceylon; an engineering chemist for India's Atomic Energy Commission; an adviser on technical education for Pakistan; advisers on passenger road transport services for Ceylon; a cable planning expert for India; an expert in Income Tax for Pakistan. We have also provided the services of firms of British consultants.

Equipment also has been supplied to assist new technical institutes, workshops and research institutions. Altogether, we have spent a little over £800,000 on this form of technical assistance alone.

The Wealth of the Commonwealth

Commonwealth production of raw materials in post-war years has been, for most commodities, well above pre-war levels, and has been rising strongly. Moreover, Commonwealth countries have provided a large share, often larger than before the war, of many of the most important raw materials.

They supply more than three-quarters of the free world total of platinum metals, nickel, gold, corundum, asbestos, mica, coir, and jute, and two-fifths or more of the manganese, ilmenite, chromium, tin, diamonds (by value), wool, rubber, castor seed, and kapok.

In recent years, results have begun to flow from increased expenditures on surveying and exploiting resources. In quite a wide range of materials from bauxite to tung oil, including chromium, all sulphur, and asbestos, average Commonwealth production during 1949-55 was more than 100 per cent higher than the average for 1935-37.

In the case of iron ore, steel, cobalt, tungsten, diamonds, and natural rubber, to name some, production rose by between 50 and 100 per cent during these years.

Output of copper, zinc, wool, linseed, castor seed, and corundum, similarly rose by between 25 and 50 per cent.

Source: *A Review of Commonwealth Raw Materials*, Vol. 1 by the Commonwealth Economic Committee, 1958. Obtainable from BIS, Sales Section, price \$2.70 plus 11 cents mailing.

In 1957-58 we shall spend a little under £650,000 on technical assistance to India, Pakistan and Ceylon in the forms described. Since the beginning of the Scheme we have spent a total of a little under £3 million.

THE SOUTHERN INDUSTRIAL REVOLUTION

It is not only in the new Commonwealth countries that great developments are in hand. An industrial revolution is also taking place in the Southern Hemisphere. New Zealand is planning to double her electricity supply capacity in the next ten years, and thus to expand her secondary industries. In Australia, great programs of expansion are taking place in the industrial field, and a land that was once almost entirely agricultural is becoming one of the leading industrial countries in the world.

Both in Australia and New Zealand British capital is playing a leading part. In Australia no less than 400 United Kingdom companies are established, as manufacturers or financially associated with Australian manufacturing concerns. Nearly two thirds of all external investment is

from United Kingdom capital, as compared, incidentally, with just over a quarter from the United States. In Sydney I was able to see the great new factory which is being operated by the British Motor Corporation and incidentally had the good fortune to meet Lord Nuffield who was himself on a visit there and round about the time of his 80th birthday. Over £10 million of British capital has already gone into this plant and when it is in full production it will employ 7,500 people—and that in a plant where there is full automation.

In New Zealand United Kingdom capital investment amounts at the most conservative estimate to £62 million over the last five years—at least three times as much as the known investment in New Zealand of all other countries in the world put together. This is the work that we in this country are doing in the field of investment and it is a record of which we can be proud. But the United Kingdom is not only the best source of capital for the Commonwealth. We are also their best consumer and their best customer, and the Commonwealth is our best and surest market. In the years 1952-1956 47 per cent of our total imports came from the Commonwealth. 47 per cent is also the figure for our exports over the whole period.

In the world since the war trading relationships have become more complex than ever before and correspondingly economic cooperation between the Commonwealth countries has become more important than ever before.

III. COMMONWEALTH CONSULTATION

A major Department of State in London, the Commonwealth Relations Office, is responsible at the London end for the interchange of information and ideas on every possible subject of mutual interest among the Commonwealth members.

High Commissioners represent the Governments of the Commonwealth countries in each other's capitals. They rank as ambassadors. The day to day contacts are close, friendly and informal.

There is no standing Commonwealth secretariat. The need for more formal machinery is frequently debated and may well be a question at this year's conference. One important reason for this was given in the House of Commons, May 1958. Mr. Alport, speaking for the Commonwealth Relations Office said: "Commonwealth countries are at widely

differing stages of economic development. The least developed...would not be prepared to accept the same policy obligations as the more developed”.

In the same debate the idea was forcefully expressed that the Commonwealth does not need the sort of organization, so common in the world today, which every country joins as a matter of prestige but without the intention or ability of fulfilling the obligations of membership. But there are many Commonwealth organizations and standing committees. For example: the Commonwealth Parliamentary Association, the Commonwealth Agricultural Bureaux and Institutes, the British Commonwealth Scientific Offices, the Commonwealth Air Transport Council, the Commonwealth Shipping Committee, and the Commonwealth Telecommunications Board.

MINISTERIAL CONFERENCES

Most significant from time to time are the Commonwealth Ministerial meetings. The Ministers meet in private session for frank and uninhibited exchanges from which Commonwealth “cabinet” meetings they report to their own cabinets. As this year’s meetings for which preparatory meetings have already been held, questions to be covered are expected to include the following list of subjects drawn up by the Commonwealth finance ministers in conference in Canada last fall:

- the significance for Commonwealth countries of changes taking place in world trade;
- measures to expand trade between Commonwealth countries;
- progress towards the common objective of freer trade and payments;
- the progress and direction of economic expansion in the less-developed countries of the Commonwealth and the sources of capital and technical assistance that may aid in their further development;
- economic and trade problems in regard to agriculture and other primary production;
- the prospects and implications especially for Commonwealth countries of the European Economic Community and the proposed Free Trade Area;
- arrangements for Commonwealth consultation on economic matters.

Britain at Brussels

The Universal and International Exhibition which opened in Brussels on April 17 is not only the first of its kind since World War II but the largest ever held. Forty-three countries are represented.

Although not primarily a trade fair, great emphasis has been placed on industrial and technical achievements. The huge Atomium, symbolizing the dawn of the atomic era, dominates the grounds and sets the theme for the whole Exhibition.

Britain's display occupies one of the largest sites in the Exhibition, about five acres, and cost between £2 million and £3 million. It is in two parts, one arranged by the Government, and the other, over twice as large, an exhibition of industrial products organized by British Overseas Fairs, a subsidiary of the Federation of British Industries.

BRITISH GOVERNMENT SECTION

The official section, the Crystalline Hall and the Hall of Technology, is designed to reflect both the tradition and pageantry of the British way of life and the achievements of the nation's scientists and technologists. The Crystalline Hall—a reminder that the first of the great world exhibitions was staged at London's Crystal Palace nearly 107 years ago—forms a lofty entranceway.

It consists of three crystal-shaped spires, over 70 feet high. Each spire is built of a series of triangular shapes, the interplay of the facets making a changing pattern when viewed from different angles. Eyelets of colored glass in the lower triangular wall-panels throw diffuse multi-colored light into the interior by day, and sparkle with light by night. By adapting the technique used for aircraft construction, the architects have produced a building which has neither internal pillars nor framework. Within this Hall British tradition is portrayed by spotlighted displays of regalia, heraldry, and other symbols, and grouped figures representing Law, Government, the Universities and Civic Authority.

There is a dramatic change of scene as the visitor moves to the Hall of Technology. The impression of loftiness gives place to a sense of horizontal spaciousness. No columns obstruct the wide sweep of the long low building. By the employment of a new system of light steel tube frame, parts of which are left exposed, the entire span is covered without interior supports.

Britain's Speed Records

Britain is the only country ever to have held *The Triple Crown* i.e. all three official world speed records — air, water and land — simultaneously. She has won this distinction four times: in 1930, 1932, 1945 and 1956.

Here the visitor finds displays showing the distinguished place British scientists hold in the application of nuclear power to peaceful uses. There are examples of how science is helping to furnish new methods for the study of plants, the human body, and the mind; how electronics are being used in automatic machine control and navigation; and how these and other new ideas affect our daily lives and increase our understanding of the universe.

An impressive example of atomic progress is the representation of the Dounreay reactor, the fast breeding experimental atomic pile on the coast of Scotland which is to pave the way for a new generation of nuclear power stations of advanced design. Zeta (zero energy thermonuclear assembly) is there, the Harwell machine in which temperatures 800 times hotter than the surface of the sun have been recorded. These temperatures are hoped to result in fusion reactions which in turn could lead to the power of the hydrogen bomb being harnessed for peaceful purposes.

The Brussels model, the first shown to the public, is built to a one-third scale of the original. Its torus (the ring-shaped cylinder) is made of perspex so that the interior flash can be seen at ten-second intervals. Flanking it is a series of portraits of 35 British winners of the Nobel Prize in the field of science.

OPEN AIR EXHIBITS

Separating the British Government Pavilion from the Industries Pavilion are landscaped gardens, courtyards and open-air exhibits. In the Commonwealth Courtyard are the flags of the ten Commonwealth countries fluttering from stainless steel masts. In another courtyard, there are recorded one hundred and twenty British 'firsts,' inventions and discoveries which Britain has given the world. They include some of the older 'firsts' in steam engines, railroads and macadam roads, and such recent items as television, penicillin and terylene (dacron).

Also displayed in a series of transparencies is the best of British post-war architecture, together with a model of the new Coventry Cathedral as an outstanding example of contemporary religious architecture. An open-air

BRITAIN HAS GONE TO THE FAIR...

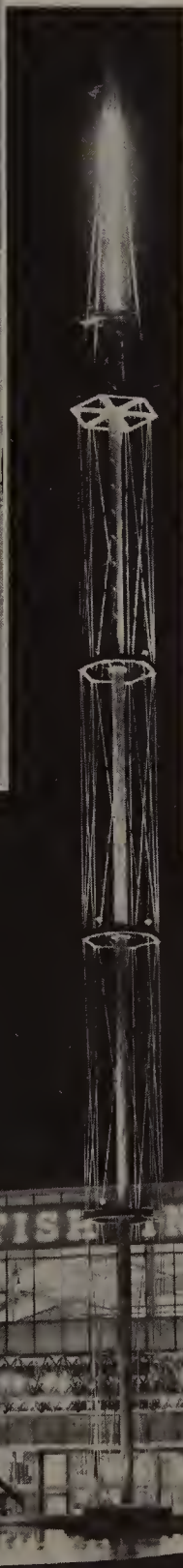


The triangular crystalline spires (above) of the British Government Pavilion rise behind visitors to the Fair.

In this Pavilion Britain's record in the development of political institutions, human welfare, art, literature and science is displayed.

The Industry Pavilion (right), aglow with light at night. Its walls are entirely of glass and it displays British industrial achievements up to the latest advances and techniques.

Courts, gardens and a lake join the two Pavilions. The Industry Pavilion is twice the size of the Government Pavilion which has a total area of 25,000 square feet.



At the Brussels Exhibition Britain is showing something of her contribution to civilization past, present and future too.

At the British site of about five acres there are two pavilions to see: the striking, three-spired Government building and the larger, glass-walled British Industry Pavilion; there are open courtyards each dedicated to a theme in Britain's story while gardens provide "somewhere to sit down."

Within the Government Pavilion the Hall of Tradition and the Hall of Technology dramatise the theme that continuity and stability can persist through times of bewildering technical advances.

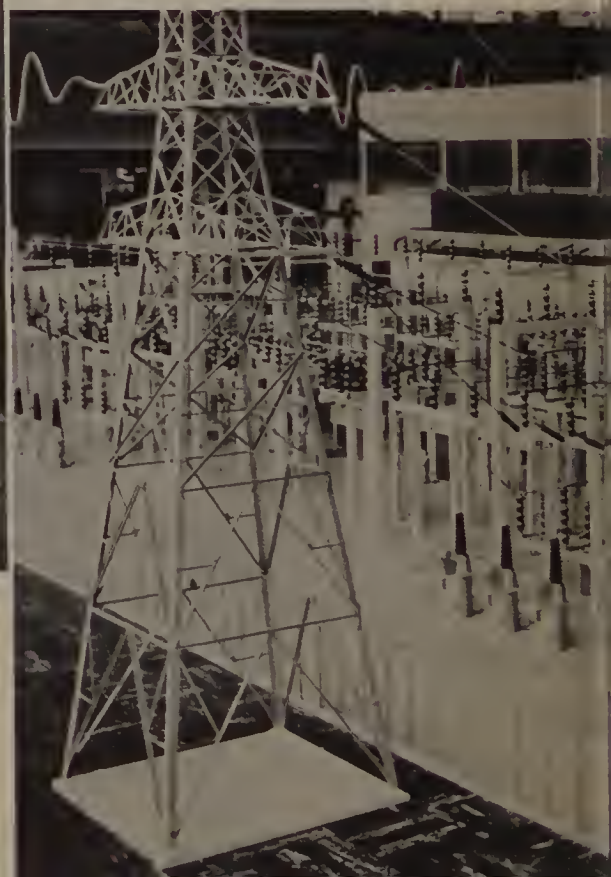
The British Industry Pavilion houses exhibits of British industry's most solid—and most spectacular achievements, especially in the atomic and electronic fields.

These glimpses give no more than a hint of what's to be seen at Brussels.





PAST, PRESENT AND FUTURE



Industries Old and New: Royal Doulton occupies an honored place among the industrial exhibits. Making fine china is an old English industry. It is an important export even in the machine and plastic age. Right: finishing touches to a model of the high-voltage switch-gear through which nuclear generated power will be fed into the national grid from one of the first of Britain's wholly commercial atomic power stations.



Reflections on the boat lake (top left) of a tiled mural (right) and the spires of the Government Building. The mural is an abstract of the British industrial scene. A visitor (above) is greeted by a bust of Shakespeare in the Government's Courtyard of Literature Pavilion.

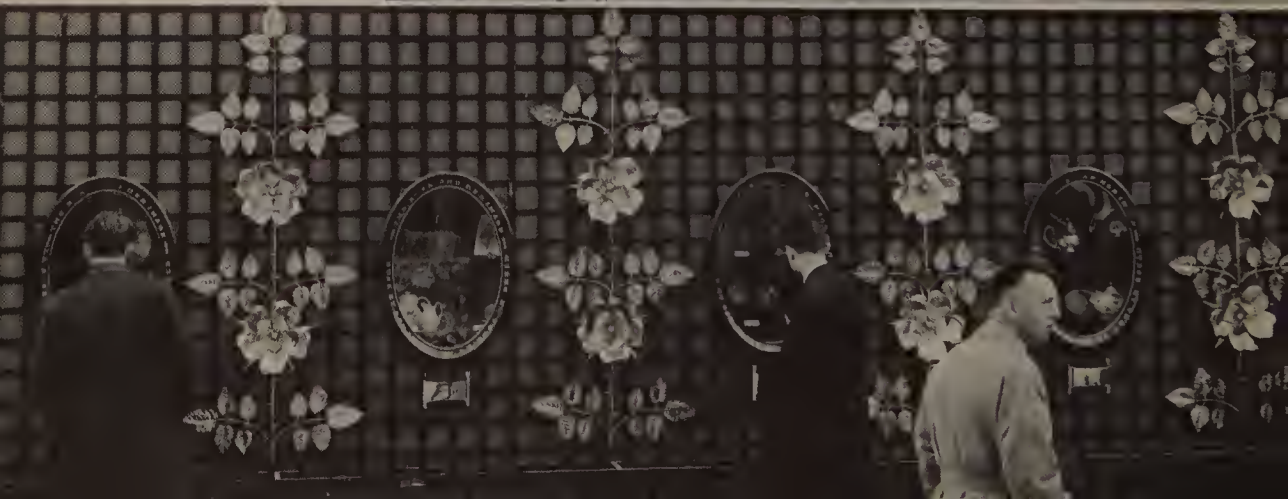


A group by Ralph Brown symbolising the association of free peoples in the Commonwealth. The three boys are of Asian, African and British stock. They stand in the beflagged Courtyard of Commonwealth.



TRIPLE CROWN OF ACHIEVEMENT

A model (right) of the nose of the Fairey Delta II in which in 1956 Peter Twiss broke the world air speed record at 1,132 m.p.h. It forms part of the Triple Crown exhibit in the Industry Pavilion. Britain is the only country to have held simultaneously the air, sea and land speed records. Top: Visitors walk by the lake (right) on which motor and sailboats from British yards can be inspected. Bottom: In one of the courtyards a small outdoor exhibit of British products shows how the English rose motif has continued through the centuries in decoration and industrial art.



Library shows Britain's contribution to world literature, poetry and philosophy, dioramas reproduce some of London's outstanding post-war stage sets, while loudspeakers relay concerts of British music.

BRITISH INDUSTRY PAVILION

Beyond the gardens and a specially constructed lake is the Industry Pavilion, a large glass-walled building some 60,000 sq. feet in area. Nearly 30,000 sq. feet of glass—most of it polished plate—has gone into its construction. The expanse of transparent glazing is broken by panels of turquoise and lime Muroglass over the entrance and at the rear.

Exhibits here are widely representative of British industry as a whole, covering as they do the newer industries such as nuclear power and diesel engines, as well as selections of Britain's basic manufactures—steel, chemicals and textiles.

One of the largest exhibits, "Power for Progress," has been arranged by the electrical industry. Title panels and murals depict the contribution made to mankind by electricity. A three dimensional display illustrates a Calder Hall type reactor. Calder Hall, the world's first nuclear station to produce power on an industrial scale, came into operation in 1956. Other groups follow similar lines, including a design of the world's largest nuclear power station, now being built at Hinkley Point in Somerset, which will be the first to produce electric power at a cost virtually competitive with that from conventional stations.

The woolen trade displays some 400 lengths of cloth: practically every kind of cloth made in Britain is there. Footwear ranges from the lowest priced style to the *haute couture* models. About 350 models of various types of shoe constructions will be seen during the run of the exhibition. Turbo-jet engines, man-made fibres, plastics, chemicals and pottery are among the many other industrial products on show.

One of the most striking features of this Pavilion is the Triple Crown Exhibit designed to remind the world that Britain is the only country ever to hold simultaneously all three world speed records, air, land and water. The air speed record has of course been taken back—temporarily—by the United States.

The Council of Industrial Design provides a pleasing culmination to the Industries Pavilion with a display of more than 250 products chosen specifically for their good design. Exhibits include all aspects of houseware and furnishings, radio and television sets, leather and travel goods, office equipment and sports goods.

Among the new fabric designs to be shown is one called "Minster" that uses the colors and patterns of a stained glass window.

Another called "Adam" depicts the figure of Adam in black and silver on heavy brocaded green tapestry. In contrast, a third is a rough texture fabric in heavy wool called "Rusko."

Two fabric designs have been in production for only a few weeks. They are "Colonnade" and "Antissa." The first, a heavy woven 100 per cent cotton fabric in a new terra-and-blue shade, is suitable for curtains or upholstery. "Antissa" is a contemporary woven 100 per cent cotton fabric, also of dual purpose design, with a small pattern on a brick-colored background.

Brussels, a traditional center for lacemaking, will be a showplace also of lace made in Nottingham (England), another famous center for the craft.

CITY OF LONDON PAVILION

Finally, the visitor to the British section should not overlook the small City of London pavilion. It is the first time the "City," i.e. the financial and business district of London, has taken part in an International Exhibition, and its sections devoted to banking, insurance, the commodity markets, the Stock Exchange, shipping and port facilities, serve to recall the fact that almost half of world trade and payments is financed by sterling.

Britain Helps Other Pavilions

British workmanship, design, and products are to be seen in many other pavilions.

USA Pavilion A British plastics firm supplied more than 11,000 sq. ft. of acoustic curtain for the American theatre. It is made up of a quarter of a million gold-colored plastic discs linked by glass fibre tape and entirely covers the walls and ceiling.

The Belgian Congo Pavilion contains one of the largest luminous ceilings in Europe. Covering 25,000 sq. ft. it gives an evenly diffused shadowless illumination over a wide area through translucent plastic sheets suspended below the lamps. A British contractor installed this ceiling and made similar installations in the pavilions and stands of Belgium, USA, Russia, and Venezuela.

Congo Animal Section contains Britain's most novel contribution, 30 animals, all stuffed in Britain. Monarch of these is a gigantic elephant. He is so large that, when he was eased out of the taxidermist's workshop in London, part of the pavement had to be removed.

Negotiations which have continued since October 1957 for the establishment of a European Free Trade Area turn on this issue: is Western Europe to continue as a cohesive grouping of nations for defense and economic and political development or shall there be two or even more "little Europes" within the post-war concept of "Western Europe"?

Western European Trade

I. THE FTA AND CUSTOMS UNION

It is worth recalling what the two schemes now being discussed involve:

The *Customs Union* to be set up by the European Economic Community would protect the six member countries with a common external tariff: tariffs between the six (France, Germany, Belgium, Netherlands, Italy and Luxembourg) would be eliminated over a period of 12-15 years.

The *Free Trade Area* would not of itself change external tariffs of the member countries but, like the Customs Union, it would eliminate tariff barriers between the members—also over a similar period of years. The Customs Union of six countries would be one of the member units of the Free Trade Area which would then comprise (a) the Customs Union; (b) the other western European countries: Austria, Britain, Denmark, Norway, Portugal, Sweden, Switzerland together with Eire, Iceland, Greece and Turkey if these countries feel able to join, eleven in all.

The six countries are of course looking beyond the Customs Union to the establishment of an integrated economic and political union: the Free Trade Area, while primarily a tariff reducing device, will also and inevitably lead on to closer economic and social ties and in the long run can hardly fail to affect profoundly the present political divisions of Western Europe.

The negotiations are then, in effect, between the proposed six country grouping of the European economic community and the other eleven countries which make up free Europe.

WHY TWO SCHEMES?

Close economic and financial cooperation, the work of OEEC, has been of enormous material benefit to Western Europe since the war but

the practical experience of working together has also shown the yet closer political and economic association offers practical advantages to only a few countries of the group. Six countries believe that an experiment in this direction to be advantageous and practicable, the other eleven OEEC countries do not. This is not the difficulty. The six country association is warmly welcomed in Europe and the six themselves foresaw the need of some working link with the "non-six." When in 1956 the six countries drew up their plans for economic integration, provision was made for this. The idea of a "Free Trade Area" was first mentioned in the preparatory studies of the six-country working group on the European Economic Community. Since that time leading spokesmen from every one of the six countries have emphasized the importance of preserving the larger concept of Western Europe by associating the Economic Community with the other OEEC countries through this device of a Free Trade Area. In Europe there is no doubt of the need for preserving the larger unity of the six and the "non-six."

WHAT THEN ARE THE DIFFICULTIES?

Apart from the very real technical problems of tariff adjustment which have anyway to be faced, there is the more subtle but more fundamental difficulty of reconciling the objectives of the six country community with the need for preventing a breakup of Western Europe into two or more trading "blocs." Today Europe forms a unified trading area. This new-found unity is real, not an orator's dream. It is manifest in the establishment of an international credit and payments system in the European Payments Union; the virtually complete abolition between the members of quota controls over imports of each other's goods; the elimination of travel visas; quite special provisions for the free passage of ideas, patents and capital between the members; powerlines crossing international

The OEEC and the Common Market

Why Europe needs an Economic Union of Seventeen Countries

One of the clearest statements available of the aims of the European Economic Community and of the Free Trade Area is contained in this pamphlet by M. Marc Ouin, of the OEEC secretariat.

It is available for 25¢ from:

**OEEC
1346 Connecticut Avenue N.W.
Washington, D. C.**

frontiers; and, for example, the progressive rationalization of rolling stock throughout the European railroad system. Such developments, fostered primarily through OEEC, go a long way to account for the *doubling* in ten years of trade between the members and therewith a related rise in living standards.

If now, the six nations aiming at a yet closer integration find it necessary to cut themselves off from the larger group comprising Western Europe, this achievement falls to the ground. The question is therefore must the European Economic Community depend on isolating itself from its partners?

If the new common external tariff wall involved no increases in existing tariffs of the six countries the "non-six" and the six could in all probability have agreed by now on some mutually satisfactory arrangement. The "non-six" appear by and large to accept the arrangements worked out by the six for the tariff reducing part of the exercise. Indeed the plan of the six is taken as the basis of this year's negotiations (See page 82). But much of the recent negotiations has been about "harmonizing" external tariffs; the six foresee a real danger to their protective wall if they agree to join the non-six in a mutual tariff reducing exercise. They foresee that a free trade area country might import, over its relatively lower external tariff, raw materials and goods from outside Europe. The lower costs that such a country would enjoy would give it an advantage over the high tariff European Economic Community, while goods imported from the US into Britain say, or into the Scandinavian countries, might be sold in the Common Market, evading the new tariff wall because of the Free Trade Area rules.

Members of the six would therefore like to see the other Free Trade Area countries raising their tariffs to harmonize with those of the six, as the price of association. The view of the "non-six" is that if there is to be any harmonizing, tariffs should be harmonized downward, not up.

THE TRADE OF EUROPE

It is important to consider whether there are other respects in which the Free Trade Area might work against the interests of the six country association. It is emphatically the view of the British Government that as Mr. Maudling has put it "the six will find it easier to maintain their cohesion and their own union within a Free Trade Area than they would do in a Europe divided into two conflicting camps."

Why should this be?

In the first place because the greater part of the exports of the six—61 per cent—are to Western Europe—half of them to the "non-six." If

the six were to form a discriminatory tariff association against the other European countries this trade will be very much at risk. It goes without saying that, in the face of a new tariff barrier set up against them, the other countries of Western Europe would be bound to react: a second protective camp would doubtless emerge to the detriment of everybody's trade.

Secondly the 17 countries of Western Europe have expanded their trade not only between themselves but with the non European world, as a result of liberalized payment arrangements embodied in the European Payments Union. Something very near to convertibility between the European currencies results from this device. But the working of the Payments Union depends on a built-in system for the removal of trade restrictions between all the participants. It is hard to see how free payments could continue if the present union was to be divided into two "economic camps" by trade discrimination. A recent European view to this effect comes from the Federal Association of German Industries. Their annual report published in Bonn describes the Free Trade Area as a necessity for the economic prosperity of the Common Market nations. It takes the attitude that the failure to agree on the Free Trade Area would imperil the European Payments Union and might well turn the trade of other European countries away from the Common Market. The report also suggests that failure to agree on the Free Trade Area might ultimately result in what it describes as "relapse into bilateralism."

OEEC has been built up by eliminating discrimination. Without something like the Free Trade Area to marry the six and the non-six there will be schism in Western Europe with all that that implies for western defense and political solidarity. In the face of such schism the new-found unity of the six might prove small comfort for themselves or for the western world as a whole.

Britain—Europe—Commonwealth

Through the European Payments Union Europe can buy from or sell to Commonwealth countries without currency restrictions. The six country European Economic Community holds an important share of the Commonwealth market:

1956	\$mn.
Exports of the Six to Commonwealth	1,679
to Britain	1,253
	<u>2,932</u>
Exports of Britain to rest of Commonwealth	4,113

II. BRITAIN AND EUROPE

It may be thought that there would be no problem here if it was not for Britain's own reluctance to join in a complete political federation of Western Europe. This calls for a reminder that not only Britain but Switzerland, Austria, Norway, Sweden and Denmark have all declared their own good reasons for not joining a political federation but have declared too their anxious desire to preserve and develop a larger unity in the Free Trade Area. The interests of these countries are obvious. While Britain's exports to the six take no more than 14% of the total, the exports of these countries to the six in 1956 were very substantial:

Switzerland	55% of her total
Austria	64% of her total
Norway	64% of her total
Sweden	70% of her total
Denmark	75% of her total

Clearly if these countries are to be confronted by a new range of tariffs covering these important fractions of their trade they cannot accept such restrictions lying down. In one way or another they would have to retaliate—in self defense—against the trade of the six.

But Britain has made her own position unequivocally clear from the beginning:

First, the cornerstone of British policy towards regional tariff groupings is that they should represent a further stage towards a system of freer international trade and payments. No new trade barriers against the rest of the world should result. This is of course the GATT requirement. Britain pays more than lip service to these requirements. She has in recent years steadfastly refused to resort to import restrictions at times of balance of payments difficulty. She has taken the lead in pressing for the abolition of export subsidies, differential exchange rates and similar devices standing in the way of liberal world trade policies. For Britain's trading interest is world wide, not European alone.

THE COMMONWEALTH AND THE FREE TRADE AREA

Second, there is the range of Commonwealth problems. Britain has for 20 years given virtually free entry to Commonwealth goods in return for a preference she receives in their markets. Commonwealth trade has been built up round this structure: half of Britain's exports go to the Commonwealth: Britain takes half what the Commonwealth produces. If Britain was to join the Customs Union she would have to put tariffs on many Commonwealth products which today pay no tariffs at all. If for

The Customs Union and the Free Trade Area

The basis of negotiation is the Treaty of Rome, setting up the Customs Union. The "non six" countries are ready to follow the treaty's provisions for lowering tariffs between members of the group. They are reluctant to line up with the proposals for the common external tariff, which for most of them would involve a substantial raising of existing tariffs.

Main Tariff Provisions of the Rome Treaty

The internal tariff cuts

Customs duties will be progressively eliminated in respect of trade between the Member states. Taking the duties actually applied on 1st January, 1957, as base, duties must be reduced by stages according to the following timetable:

- (a) 1 year after entry into force of the Treaty;
- (b) 2½ years after entry into force of the Treaty;
- (c) 4 years after entry into force of the Treaty;
- (d) 18 months after the beginning of the second stage;
- (e) 3 years after the beginning of the second stage;
- (f) 4 years after the beginning of the second stage.

On the first occasion each duty must be reduced by 10 per cent. On each subsequent occasion the overall incidence of the tariff must be reduced by 10 per cent, individual rates in excess of 30 per cent must be reduced by at least 10 per cent and other rates by at least 5 per cent.

The common external tariff

Apart from specific exceptions, the common external tariff will be the arithmetic mean of the tariffs of the various Members on 1st January, 1957. The common tariff may not exceed:

- (a) 3% for most raw materials;
- (b) 10% for most semi-manufactured goods;
- (c) 15% or 25% for certain chemicals. (For certain chemicals tariffs of less than 3% will be considered to be tariffs of 12% for the calculation of the common tariff.)

For a specified list of products the tariff will be fixed by negotiation and not by calculation. Some of these negotiations are completed but most are still to come.

The common tariff will be introduced successively at the end of the three stages. 30% of the difference above or below the common tariff will be removed at the end of the first stage, 30% at the end of the second stage. But if the national tariff is not more than 15% greater or less than the common tariff, the common tariff will be introduced at the end of the first stage.

example she was to employ the Common Market tariffs on dairy products, meat and other foodstuffs she would have to impose tariffs of the order of 15-25 per cent. At the moment no tariff is chargeable on Commonwealth products while comparable European products only pay duties of 4 to 10 per cent.

Under the Free Trade Area proposal this difficulty is avoided as Britain will be free to meet the obligations as well as enjoy the advantages of her Commonwealth connection. It is intended to exclude agricultural tariffs from the Free Trade Area tariff scheme. As all the European

countries whether of the "six" or the "non-six" plan to protect agriculture by one device or another this is not expected to create insuperable difficulties. Britain will certainly be ready to examine special marketing arrangements for European agriculture, so that no injustice is done to the predominantly agricultural exporting countries of Europe. As things are, Britain is the biggest single market for Western Europe's agricultural exports, and is likely to remain so, whatever arrangements are come to.

THE POLITICAL IMPACT

Finally, can it be argued that Britain's own preference for a looser association holds up the process of political and economic integration?

It has already been noted that the Free Trade Area embraces many countries besides Britain. The Free Trade Area, like the Common Market, creates a single market—but of 250 million people as against the 163 million of the European Community alone, with all that that promises in the way of more efficient production, increased competition and raised purchasing power for the products not of Europe alone, but of the whole world. And this could be achieved without increasing tariffs against the outside world—the US, South America, the Commonwealth—all countries who today look to Western Europe as one of their richest markets. Certainly the non European world has a keen interest in the more liberal association of the Free Trade Area.

But, it may be argued, a looser association will not be subject to the disciplines imposed by the closer association of the six. In reply to this it must be noted that as far as tariff reductions are concerned, the Free Trade Area protagonists are asking for, if anything, stricter and more clearly defined rules than the six countries have planned for themselves. Furthermore, the institutions necessary for the governance of the scheme have not yet been devised, but all the negotiators, including those of Britain are ready to depart from unanimity voting rules in all suitable cases. Where you have majority voting you have strong institutions.

Nor does the Free Trade Area scheme exclude negotiations over the whole field of financial, economic, and social policies. It is initially concerned with freeing trade because that is regarded in OEEC as the condition for expansion, on which all else depends.

And nothing that may be planned in this larger association need prevent the six countries pressing on with whatever plans they can agree for a closer unity among themselves.

It must be clearly understood that all the western European countries will welcome the closer integration of the six. The central problem is the degree of discrimination and trade protection which can be accepted as

the price for this important political development. The object of the negotiations this year are to ensure that a wider fragmentation of Europe will not result from the fusion of this one group of countries. More positively stated the object is to ensure that all of Western Europe moves in the direction of expanding world trade rather than backward towards discriminatory trade blocs.

A recent OEEC pamphlet, "OEEC and the Common Market," sums it up this way:

"At first sight this proposal [i.e. the Free Trade Area] is less far reaching than the Common Market. It has been blamed for having no political objective. In the sense that it does not aim at establishing a European political federation, this is true. But is it not a political objective of capital importance at the present state of history to prevent a great schism in Europe, to create a vast European market, to bring about a sound division of labor, to continue to raise the standard of living of all the peoples of the Continent, including those most handicapped, and to weld the economies of the 17 countries so firmly together that they may never again be sundered? This is what the Free Trade Area means."

Churchill College of Science

On May 14th plans were announced for the establishment of a College of Science at Cambridge University. Sir Winston Churchill, as Chairman of the Trustees, heads the endowment appeal for \$9,660,000. The new college is to be named after him.

Sir Winston, himself, will donate \$70,000, and a donation of \$140,000 has been offered by the Calouste Gulbenkian Foundation of Lisbon, Portugal, as a "willing tribute to the greatest living Englishman." British industry is expected to contribute generously. An appeal for funds may also be made in the USA among corporations with subsidiaries in Britain and the Commonwealth.

Under present plans at least 70 per cent of the students will study science and technological subjects. There will be a higher proportion of post-graduate students than in existing colleges: one to every two undergraduates. A number of visiting fellowships will be established for specialists from abroad, and it is hoped the college will attract postgraduate students from foreign and Commonwealth countries.

Technical Colleges rather than the Universities provide almost three quarters of Britain's professional men with technological qualifications.

Technical Education

Technical and scientific education in Britain endeavors not only to meet the needs of industry and defense, but also prepares technologists for service in undeveloped areas overseas and trains students from all over the world, especially from the Colonies and Commonwealth.

Since the war a series of official committees has wrestled with the continuing shortage of scientific manpower. The result is a considerable increase in facilities for technical education. During this period university students in science and technology have more than doubled and further expansion is envisaged during the next ten years.

In 1957 the universities and technical colleges produced approximately 5,000 scientists and nearly 7,000 technologists — about 80 per cent of the scientists coming from the universities and about 70 per cent of the technologists from technical colleges.

So, the British system of technical education is extremely flexible, and there are a number of routes, other than through the universities, by which any able student can achieve professional qualifications in technology.

With approximately three-quarters of all the professional technologists qualifying at present through technical colleges, emphasis in this article* is placed on the wide range of training they offer.

EXPANSION PLANS

Expansion plans call for £100 million from Government funds toward the cost of technical college building and equipment over a 5 year period ending 1961, and £94 million toward University building between the years 1957 and 1963.

It is estimated that the total number of University students in Great Britain will increase from 84,000 in the academic year 1955-56 to about 124,000 in the mid-1960s, and possibly 10 per cent more by 1970. It is expected that about two thirds of the additional students will study science and technology.

*For a general article on Scientific and Technical Training see *British Affairs*, March 1957.

An increase of about 50 per cent—from 9,500 to 15,000—of students taking advanced courses at technical colleges was proposed in the White Paper *Technical Education* presented to Parliament in February 1956. To this end resources are being concentrated on a comparatively small number of colleges devoted entirely or mainly to work at the higher levels. The number of “regional” colleges is being increased. In addition, the Colleges of Advanced Technology spread over England and Wales, which form the apex of the structure of technical education, will be increased from 8 to 10 and will concentrate entirely on advanced work, including postgraduate and research work.

In Scotland, the universities and central institutions have more than Scotland’s share on a population basis of students following graduating courses in technology; it is at the less advanced levels of technician and apprentice in both industry and commerce that there is most need for expansion. Major development in Scotland therefore is concerned with building new technical colleges for the training of technicians and craftsmen and workers in commercial and distributive trades.

THE TECHNICAL COLLEGES

The 560 technical colleges of England and Wales are for the most part local in character, with a bias toward the chief local industries. Many of the larger colleges undertaking more advanced work are regional rather than local. There are eight Colleges of Advanced Technology, devoted to advanced work and research. The great majority of technical colleges are maintained by local education authorities and are mainly outside the university system.

For a few highly specialized industries “National Colleges” for technological training have been established with the support of the industries themselves. These are fields such as aeronautics, instrument technology, horology, and foundry work.

In Scotland there is a system of Central Institutions which are major technical colleges providing advanced instruction on a regional or national basis. These are supported by some 50 local technical colleges.

COURSES AND QUALIFICATIONS

The approach of the technical colleges to scientific principle is, in general, less academic than in the universities. Many students attend on a part-time basis, and their studies are related to the industries in which they are working. The so-called “sandwich” course, usually lasting four or five years and comprising alternate periods, generally of three to six

Overseas Students In Britain

There are at present about 35,000 overseas students in Britain. Of these approximately one third are in technical colleges while many more are studying science or technology either at a university or following an industrial training course.

During the academic year 1956-57 there were 12,902 Colonial students in the United Kingdom.

months of full-time study and works training, is an arrangement that is gaining in popularity. At the end of 1956 some 3,400 students in England and Wales were on these courses.

An advanced course at a technical college may lead to a university degree (some of the major technical colleges are affiliated with the local university, and at some students take the external degrees of the University of London), to the college's own qualifications (such as Diplomas), to a Higher National Certificate or Diploma, to membership of the appropriate professional institution (such as the Institution of Civil Engineers), or the new Diploma in Technology.

The National Certificate and Diploma schemes are operated by Joint Committees of the Ministry of Education or Scottish Education Department, and the professional institutions. Courses leading to these awards begin approximately at the General Certificate of Education,* Ordinary Level (the examination usually taken in secondary school at 15 or 16 years). If a student has not reached this standard in the subjects he wishes to pursue at technical college, he has first to complete certain preliminary courses. National Certificates are intended for part-time students employed in industry and are designed to set a minimum national standard representing continuous part-time study for five or six years from the age of 16 or 17. An Ordinary National Certificate is normally taken after three years' study; the Higher National Certificate is a qualification approximately equivalent to University first degree in the subjects taken, but since it is based on a part-time course it is necessarily narrower in scope. The National Diploma schemes are designed to set a similar standard for full-time students. An ordinary Diploma is awarded after two years' full-time study, usually started at the age of 16, and the Higher National Diploma requires three years' study and covers approximately the same ground as a university degree course.

*See I.D. 1296 *Secondary School Examination and University Entrance in Britain* available free on request.

The new Diploma in Technology (Dip.Tech.) is granted by the National Council for Technological Awards. The minimum age of admission to courses leading to this Diploma is 18, and the standard of admission is similar to that required for university admission. Practical and academic training is integrated in the courses recognized for the award. These courses consist either of at least three years' full-time study at a major technical college together with suitable industrial training over an aggregate period of at least one year, or of a sandwich course covering at least four years' academic studies in a major technical college and including organized studies during the periods of practical training in industry. In standard they are equivalent to honors degree courses at a University. The first Diplomas under this scheme will be awarded in June of this year.

APPRENTICESHIP SCHEMES

At a lower academic level apprentices entering industry on leaving a secondary (modern) school or a Scottish junior secondary school at the minimum age of 15 can train to become craftsmen at the age of 21. Their works training will be supplemented by attendance at the local technical college for part-time day or evening classes. The best craft apprentices may transfer to courses leading to professional qualifications, but most future technologists continue at school until 17 or 18 when they go to a university or major technical college, or enter on a course of industrial training combined with attendance at a technical college.

THE UNIVERSITIES' PART

Technical colleges may lack the glamor of the Universities but there is no questioning the solid worth of the training they offer. The expansion of University teaching in fields of technology calls however for a reminder of their important contribution, especially at the higher levels of pure science and technology. At present about 37 per cent of university students are studying pure science or technology.

A course of 3 or 4 years' full-time study leads to a first degree. In the technological faculties of most universities this is the B.Sc. degree, at some it is the B.A., and at others it is named after the particular branch of study, such as B. Eng. (Bachelor of Engineering). A number of universities in industrial centers have developed studies and research related to their local industries, from which they receive cooperation and support.

Colonial Calendar

Sir Andrew Cohen, Permanent British representative on the UN Trusteeship Council, in a speech delivered recently to the Council of World Affairs in San Francisco, made the point that "never in the history of the world can so many countries have been granted their independence in so short a period by deliberate choice of the administering country and without violence between it and their people.

"The eastern part of Africa, where adjustment between the races living there is needed, is the only major region in our old Colonial Empire where British-ruled Territories have not either got or virtually got independence. . . ."

The following calendar summarizes the constitutional advances in British territories within the past year or so.

1957

- | | |
|-----------------|---|
| <i>January</i> | Gold Coast. Colonial Secretary secures agreement in final constitutional discussions in Accra. |
| <i>February</i> | Federation of Malaya. Reid Commission Report published (its recommendations formed the basis for the constitution of the independent Federation). |
| <i>March</i> | Ghana. Independence and membership of Commonwealth.
Kenya. First direct African elections. |
| <i>April</i> | Singapore. New constitution agreed in London to take effect in 1958 (the new state of Singapore will have internal self-government and a Malayan-born Head of State). |
| <i>May</i> | Tanganyika. Plans for ministerial system announced (Ministers to be officials, but four African, one Asian and one European Assistant Ministers appointed).
Plans for direct elections on qualitative franchise in 1958/59 announced.
Somaliland Protectorate. First Legislative Council (including nominated Somali members) meets. Executive Council established.
Sarawak. New Council Negri (Legislative Council) with twenty-four of forty-five members elected replaces nominated council.
Sierra Leone. First territory-wide elections by adult suffrage. |
| <i>June</i> | Nigeria. London Conference agrees:—
(1) To self-government for the Eastern and Western Regions.
(2) To constitutional advances for the Northern Region and the Southern Cameroons. |

- (3) To the creation of an office of Federal Prime Minister and an all-African cabinet for the Federation.
- (4) That a resolution asking for full self-government for the Federation should be considered in 1960 (the Colonial Secretary said that Her Majesty's Government will "consider it with sympathy").

Uganda. Government proposals for direct elections in 1958 published.

July **Mauritius.** Ministerial system introduced (9 of 14 Executive Council Members are non-official).

West Indies. United Kingdom Parliament approves Federal Constitution.

August **British Guiana.** Elections (the first since the constitution was suspended in 1953). Dr. Jagan elected and becomes a Minister.

Zanzibar. First common roll elections on qualitative franchise.

Federation of Malaya. Independence and membership of Commonwealth.

September **Nigeria.** First Federal Prime Minister (Alhaji Abubakar Tafawa Balewa) forms all-African coalition government.

Trinidad. Proposals announced for an all-elected Cabinet government by January 1, 1958.

October **Brunei.** Plans for Legislative Council with unofficial majority announced.

Barbados. Internal self-government with all-Barbadian "cabinet committee".

November **Nigeria.** Regional self-government in Eastern and Western Regions.

Jamaica. Internal self-government celebrations.

Kenya. Colonial Secretary announces new inter-racial constitution (including parity between European and African elected members).

Aden. Proposals for elected majority in Colony Legislature announced.

December **Sierra Leone.** Preliminary talks on further constitutional advance satisfactorily concluded.

1958

January **Sierra Leone.** The Government in Freetown published proposals for a new constitution to be debated in the House of Representatives and reported to the Colonial Secretary in London.

February **Nyasaland.** First "unofficial" (i.e. from outside Government service) Speaker was introduced to the Legislative Council.

March **Federation of the West Indies.** First Federal Elections to the House of Representatives took place.

Kenya. Elections for "specially elected members" (African).

April **Federation of the West Indies.** HRH Princess Margaret inaugurated the first Federal Legislature.

The Chancellor of the Exchequer delivered his Budget Message on April 15. It was a cautious Budget and the Budget Speech showed why. Yet there were tax cuts for elderly people, in the cinema duty, and in the rates of purchase (sales) tax.

A Cautious Budget

The Chancellor of the Exchequer, Mr. Derick Heathcoat Amory, in his Budget Speech said that this was a difficult moment at which to read confidently the barometer of world trade and activity. It is clear, he said, that the economic climate of the free world is changing. Inflationary pressures are subsiding and in some countries production has fallen off. So far Britain was not directly affected by recession influences. But much would depend on what happened overseas this year.

DOMINANT OBJECTIVES

Britain's policies must be guided by three dominant objectives: to maintain the value of the currency; to strengthen Britain's external finances by increasing her foreign reserves or reducing her liabilities, or both; and to play a part consistent with her resources and responsibilities in the expansion of world trade and in the development of the Commonwealth. Britain's long run aim must be steady expansion. For these purposes the immediate task was to make sure that the domestic economy was strong and sound.

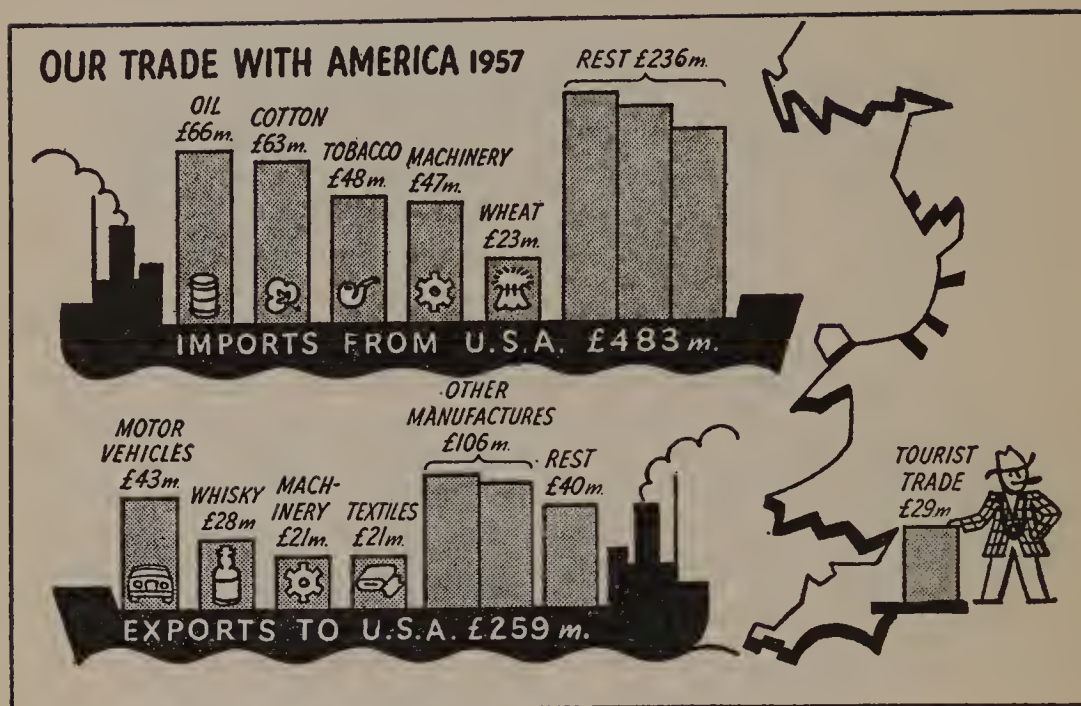
The Chancellor saw a number of encouraging signs. Although the

BUDGET ESTIMATES 1958-59

£ million

REVENUE		EXPENDITURE	
Income Tax, etc.	2,970	Debt Interest	695
Customs and Excise	2,189	Sinking Funds etc.	121
Motor Duties	104	Defense	1,418
Other	176	Civil	2,841
	5,439		5,075
		Ordinary surplus	364
			5,439
"CAPITAL ITEMS"			
Total receipts	323	Total payments	923
	5,762		
Overall deficit*	236		
	5,998		5,998

*met by borrowing.



growth of production was small in 1957 there were some satisfactory shifts in the use Britain made of her resources. Government expenditure on goods and services fell slightly in real terms.

SUDDEN RECESSION NOT LIKELY

Summing up the economic prospect, the Chancellor said that home demand should on the whole remain firm, but export demand might weaken. Industrial production has declined slightly in the last few months and unemployment has been rising.

These trends may well go further during the rest of the year, but a sudden sharp recession in Britain during the coming months is not likely. But that will depend, said the Chancellor, on Britain's following economic policies appropriate to the circumstances and on how things develop in other parts of the world.

MAIN PROPOSED TAX CHANGES

Income Tax relief for old people: To help elderly people, who are in general having the most difficult time today, the exemption limits for income tax on people over 65 will be raised from £400 to £440 for a married couple and from £250 to £275 for the single individual. Secondly, the income limit of the age relief, which confers the earned

income allowance of 2/9ths on investment income, will be raised from £700 to £800.

Death duties: The “quick succession” relief is to be extended to cover other forms of property besides real property and business assets.

Depreciation allowance: The “initial” allowance for capital expenditure on plant and machinery is raised to 25 per cent and on industrial buildings to 12½ per cent, for expenditure on or after April 15. The rates previously were 20 per cent and 10 per cent, i.e. they have been raised by one quarter.

Profits tax: As from April 1 profits tax will be levied at a single tax rate of 10 per cent on the whole of a company’s profits in place of the present differentiated rates, i.e. 3 per cent on undistributed profits and 30 per cent on distributed profits.

Entertainments Duty: As from May 4, 1958, the entertainments duty on admissions to cinemas will be one-third of the amount (if any) by which the payment for admission, including duty, exceeds 1s 6d (21 cents). This approximately will mean an overall halving of the cinema tax.

Purchase tax: This tax is to be simplified by reducing the number of different rates of tax from 7 to 4. The 90 per cent, 50 per cent and 10 per cent rates will be abolished. The resulting structure of the tax will be a standard rate of 30 per cent on a wide range of goods, a rate of 60 per cent on a few big revenue-producing items, notably cars, radio and television, gramophones and records and cosmetics; and lower rates of 15 per cent and 5 per cent broadly as at present on the more essential personal and domestic articles. A number of goods at present charged at 60 per cent, including electric and gas domestic appliances, will be moved down to 30 per cent. Nearly all changes applied from April 16.

The Prime Minister on Democracy

“... democracy can’t be taken as a religious dogma. It’s the most convenient method yet devised by intelligent people all on a high standard of living, of managing their affairs, and it has the great advantage that any other system has always been proved to be worse.”

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Book Reviews

Comparative National Products and Price Levels by Milton Gilbert and Associates (OEEC, Paris, 168 pp., price \$3.50 from OEEC, Washington, D.C.)

This new study of Western Europe and the United States brings up to date and extends the 1954 study by Milton Gilbert and Irving Kravis, "An International Comparison of National Products and the Purchasing Power of Currencies"—itself a pioneering attempt to portray, in "real" terms, the relative national products and uses of resources in the United States on the one hand and the four largest Western European countries—France, Germany, Italy and the United Kingdom on the other.

The new study includes four more European countries—Belgium, Denmark, the Netherlands and Norway as well as aggregate estimates for Western Europe as a whole. This makes it possible for the first time to compare in real terms the final output of goods and services in OEEC member countries combined with that of the United States.

The book has become more interesting and valuable by these changes. It is a mine of information on a variety of economic, industrial, and social topics ranging from the weight of cars and consumption of tobacco to investment and defense expenditure. It also makes very valuable estimates of the purchasing power of one dollar in different European currencies.

The intra-European comparisons and those between Europe and the United States which have been developed by the authors enable national statistics to be viewed more realistically than official exchange rates permit.

£ £ £

An Encyclopaedia of Parliament by Norman Wilding and Philip Laundy (Casell, London, 1958, 705 pp., 63s.)

There is more in politics than meets the eye—at least there is judging from this veritable encyclopaedia of over seven hundred pages including thirty-three appendices giving information from the year 1213 on Britain and the Commonwealth. The bibliography records over 350 works of political biography, more

than 400 on British parliamentary history, constitutional law, etc., and nearly 200 on Commonwealth Parliaments.

Obviously this is not a bedside book of political anecdotes but a new work of reference for all who have active interest in politics. It is notable that the book should have emanated from the Federation of Rhodesia and Nyasaland and not from London—even though both authors were born in England. But as the Viscount Malvern points out in his foreword:

“... it is in the younger countries of the Commonwealth that parliamentary customs, traditions and procedure have had to be studied most carefully in order that the high standards of the Mother of Parliaments may be maintained.”

Those who wish to know what faggot voting is or who was the Chancellor of the Duchy of Lancaster in 1399 will find it in this book.

£ £ £

British Guiana by Michael Swan (Her Majesty's Stationery Office, 1957, 235 pp., \$4.50 plus 17 cents mailing from BIS Sales Section).

The multi-colored picture of the Kaiteur Fall opposite the title page sets the tone of this new book in the series of illustrated volumes on Britain's dependent territories, the way their peoples live, and how they are governed. This book, like companion volumes, is not merely informative but interesting and immensely readable.

British Guiana, the Land of Six Peoples, so called from the six different races that have made their homes there, is the only British territory on the South American continent. Falls and cataracts on the many large rivers make the interior inaccessible and all but five per cent of the population live on a narrow coastal belt reclaimed from swamp and lying below high-level tide.

The greater part of this book deals with life on the coast, its customs, politics and the problems of its economy and social welfare. But Mr. Swan also visited the interior, travelling by aeroplane, river-steamer, jeep and dug-out canoe, and on foot, observing the simple life of the Amerindians.

The illustrations and pictures are themselves so effective that they tell their own tale. But even without them the book would be enjoyable reading, for it touches on all topics—shrimping, mineral deposits, animal life—the oddest things.

£ £ £

Guide to Resources for Commonwealth Studies by A. R. Hewitt (University of London, The Athlone Press, 1957, 219 pp., 21s.)

The compiler of this compact and useful Guide is the Secretary and Librarian of the Institute of Commonwealth Studies of the University of London. There has been to date no comprehensive Commonwealth bibliography of bibliographies and this Guide, to the extent of its coverage, does much to fill a long-felt need.

The Guide is designed to help advanced research students, particularly those from overseas, to locate the materials available for the study of the Commonwealth. The sources listed fall mainly within the fields of history and the social sciences, and are to be found in the national collections and in the libraries of universities, colleges, government departments and learned societies. By far the greatest space is given to those located in London, Oxford and Cambridge.

The book is divided into three parts: 1) a general survey of resources classified under such headings as public archives, private papers, official publications, periodicals, newspapers, theses, research in progress, bibliographies and reference works etc., 2) descriptions of individual collections in London, Oxford and Cambridge, and 3) information about facilities for Commonwealth studies in British Universities generally and some additional lists of organizations.

There is a full index.

£ £ £

The House of Lords and Contemporary Politics, 1911-1957 by P. A. Bromhead (Routledge & Kegan Paul, London, 1958, 283 pp., 30s.)

The passing into law on April 30th of the Life Peerages Act marks the latest effort at reform of the Upper House. With it fell one of the last bastions of masculinity. In its 780 years of existence the House of Lords has been an all-male institution. The present act permits the creation, not only of life peers, but also peeresses with right to membership of the Upper Chamber.

The appearance of this book is accordingly most timely. This is the first attempt to present a detailed analysis of the role of the House of Lords as a working part of the British parliamentary system.

During the last fifty years the Upper House, though it has kept intact its formal composition, ritual and procedure, has in reality become a very different piece of political machinery from that which battled against the governments of Lloyd George and Asquith. With reduced powers it has nevertheless induced governments, of both Left and Right, to modify policies, explain themselves and reply to serious and well-informed criticism.

Mr. Bromhead shows how the House manages its business, and how the Government and Opposition parties are organized and have developed their subtle discipline. He seeks also to provide a foundation of concrete knowledge on which to base judgment of schemes of reform. Proposed reforms, both of composition and powers, are discussed in later chapters. The author, in fact, presents a picture and an assessment, based on detailed study and analysis, of the modern House of Lords at work.

Mr. Bromhead is Senior Lecturer in Politics at Durham University. His book *Private Members' Bills in the British Parliament* was published in 1956.

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